Medicaid Reform in Florida:
Key Events and Activities in 2006
MEDICAID REFORM IN FLORIDA:
KEY EVENTS AND ACTIVITIES IN 2006

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I. Introduction

Medicaid Reform in Florida is currently taking place as a five-year demonstration project in Broward and Duval Counties. The initiative is authorized by Florida Statute (Section 409.91211, F.S.), and by the Section 1115 waiver authority granted to Florida by the Center for Medicare and Medicaid Services (CMS). In the near future, the demonstration will expand to Baker, Clay, and Nassau Counties. With legislative approval, the Reforms will be extended throughout the state in subsequent years.

Section 1115 waiver authority requires that research demonstration projects be evaluated by one or more entities that are independent of the state’s Medicaid program. The Agency for Health Care Administration (AHCA) contracted with a health services research team at the University of Florida to accomplish that evaluation.¹

It is obviously too early in the demonstration project to present assessments of outcomes and most findings from the evaluation studies will not become available until the demonstration project has been in place for a reasonable period of observation. However, it is useful to describe the circumstances leading up to establishing the demonstration project and to monitor the processes of implementation even before the impact of Reform can be assessed in a meaningful way. That objective is being met in a series of descriptive reports. The first such report (Duncan, Lemak, McKay, Hall, and Bell, 2006) described the policy and political processes that established the basis for Reform, gave rise to the initial legislation, prepared the waiver application, and affirmed the demonstration in a subsequent legislative action. In general, that report covered the period from the spring of 2004 through December 2005, when House Bill 3B was passed and signed by Governor Bush.

On the other hand, it would be a great error to equate the lack of outcome assessment with an absence of activity, either in the demonstration or in the evaluation. The early stages of the evaluation emphasize definition, the development of data collection and analysis protocols and related efforts to ensure the validity and reliability of subsequent analyses. In addition, considerable descriptive information regarding the demonstration’s design, development, structure, and processes is obtained and can provide a basis for monitoring progress in the demonstration. Some of these accomplishments are identified and described in this report.

During the period from January 1-June 30, 2006, AHCA transitioned from a program planning phase to formal design and the completion of steps that would be required in order for the demonstration to become active at the scheduled start time of July 1, 2006. Key parts of this transition included internal organizational processes to identify the essential areas of activity, name responsible teams, specify team leaders, and ensure a process of intra-agency communication. These requirements were clearly accomplished. Their structure is most obviously manifested in the “Project Management” processes and resulting records that are the organizational underpinning of the Reform implementation process within AHCA. Behaviorally,

they are reflected in a Steering Committee composed of key AHCA leadership. The Steering Committee meetings are the key locus of internal communication.

The same time period saw completion of several key actions external to AHCA, all of which were required as preparation for formal program initiation. These included the creation and completion of a bidding and contracting mechanism to identify the managed care organizations that would be the key providers of care, the creation of risk scores that would govern the payments those organizations would receive and the design of Choice Counseling, including materials, a process, a contractor, etc. Extensive community outreach in the demonstration counties was pursued. The number, frequency, location, and other attributes of this outreach were clearly documented, in part by means of the Project Management process.

During the period from July 1-December 31, 2006, Medicaid Reform in Florida “went live”. Current enrollees began transitioning to the new model, Choice Counseling began, and the Managed Care organizations began the active process of managing the care of “their” enrollees. Other implementation milestones include the creation of the “Opt-Out” mechanism and the establishment of Enhanced Benefits Accounts including the means for creating individual enrollee accounts, confirming actions that result in the allocation of funds to the accounts, and a process in which the funds accruing to the accounts could be expended.

The degree of success and effectiveness cannot yet be measured. But the fact that these various programmatic steps were accomplished can be clearly documented. This report identifies and describes key events, milestones, and activities in Florida’s Medicaid Reform demonstration during 2006. For the most part, these events are subdivided among several areas of critical activity with the demonstration, reflecting the core principles (“elements”) of the Reform initiative. Within each of the key areas, it is valuable to distinguish activities taking place between January 1 and June 30, 2006, all of which can be viewed as designs, plans, and preparations for Reform implementation, from phenomena taking place between July 1 and December 31, 2006. All of the latter fall within the formal period of the actual demonstration, which is viewed as having had an official “go live” date of July 1, 2006. Determining precise dates of events for a project of this scope is arduous, and where there were discrepancies, the authors deferred to the dates indicated in AHCA’s Quarterly Progress Report to CMS (2006). Many of the references cited and information reported are available from AHCA’s Medicaid Reform website (http://ahca.myflorida.com/Medicaid/medicaid_reform/index.shtml).
II. Medicaid Reform Waiver

01/13/06: First Technical Advisory Panel (TAP) meeting held. Formation of the TAP was mandated by the Florida Legislature in House Bill 3B. The 9 member TAP was appointed by AHCA and will advise AHCA on Medicaid Reform implementation issues.

05/25/06: Governor Bush signed the 2006–2007 state budget which included $10,060,000 for the development of the infrastructure of Medicaid Reform.

06/29/06: AHCA announced 12 healthcare plans initially approved to service Medicaid participants in Broward and Duval Counties. Many plans expanded Medicaid services not previously provided or removed the requirement of co-payments. AHCA applied stringent evaluation standards in reviewing each plan’s packages for actuarial equivalency and sufficiency.

09/13/06: Between 1/06-9/06, AHCA conducted approximately 110 Medicaid Reform outreach meetings targeted to specific groups such as enrollees, providers, and advocacy groups to provide information on how the Reform process would affect them. Eighty-four of these meetings were conducted before the actual go live date of July 1, 2006.

III. Medicaid Reform Elements

A. Choice Counseling

02/14/06: The Choice Counseling program design was completed.

03/06/06: AHCA announced contract with Florida State University (FSU) to develop a uniform training package to facilitate the Choice Counseling component of Medicaid Reform. FSU was also contracted to develop an on-line certification course and examination.

04/17/06: AHCA awarded Choice Counseling contract to ACS State Healthcare (ACS). ACS is responsible for the outreach, education, and counseling of Medicaid participants. ACS has contracted with two minority public relations firms: Circle of One Marketing in Broward County and The Hester Group Marketing in Duval County.

05/11/06: AHCA’s Choice Counseling/Managed Care Implementation Team decided that Choice Counseling would begin on July 24th with the earliest possible enrollment date in a Reform Plan being September 1, 2006.

05/19/06: Final Choice Counseling Implementation Plan received from ACS.

06/15/06: On-line Certification Program for Choice Counselors completed.

07/01/06: ACS Choice Counseling call center was activated to respond to general Medicaid Reform questions.

07/06/06: The first Choice Counselors were certified in Duval County (six).

07/11/06: The first Choice Counselors were certified in Broward County (eight).

07/19/06: As of 7/19/06, a total of 58 Choice Counselors have been certified in both Broward and Duval Counties. Choice Counselors include those at the call center and those in the field at AHCA’s area offices.

07/24/06: Full Choice Counseling began for initial group of beneficiaries. Choice Counselors are available who speak English, Spanish, and Haitian Creole.
08/01/06: Choice Counseling materials completed, including recipient flyer, website for Reform information, and DVD on Reform. The DVD on Reform was officially released on 9/15/06.

12/22/06: Between 7/06/06-12/22/06, 79 Choice Counselors have been certified.

12/31/06: ACS Call Center activities from 7/24/06-12/31/06:
- 87,601 inbound calls
- 22,144 outbound calls
- average talk time 7.1 minutes
- 1,266 abandoned calls (number of callers who hang up before the call is answered by a Choice Counselor).

B. Enhanced Benefits

01/26/06: AHCA made the decision to implement the Enhanced Benefit Account Services program (EBAS). The program would facilitate coordination between AHCA and the Fiscal Agent to track debits and credits of enrollees and provide balance information.

05/22/06: AHCA established Enhanced Benefits Oversight Panel.

07/01/06: AHCA developed the Enhanced Benefits Program and Procedures including a list of healthy behaviors and eligibility/enrollment criteria.

09/13/06: AHCA contracted with IS Consulting to develop the Enhanced Benefits Information System to collect and track enhanced benefits data.

09/01/06: First enrollees in Reform health plans eligible to earn enhanced benefits credits.

09/29/06: Effective date of contract with ACS State Healthcare to develop and manage the Enhanced Benefits Call Center for customer service to beneficiaries. Call Center became operational on 11/01/06.

11/01/06: First Enhanced Benefit Credits uploaded to Prescription Drug Claims System (PDCS), Florida’s Fiscal Agent’s pharmacy point of sale system, based upon Healthy Behavior files.

11/16/06: The Enhanced Benefits Grievance process was developed.

12/07/06: Enhanced Benefit Information System became operational. The system will be fully accessible to interested Health Plans by February 2007.

12/10/06: Some 11,000 beneficiaries have received credits totaling $333,132 in credit dollars for healthy behaviors. (This represents healthy behaviors recorded by Plans through November 30, 2006, reported to AHCA by 12/10/06.)

12/06: As of December 2006, 30 beneficiaries have used their accounts with total amount spent of $496.21. (This represents spending through November.)

C. Opt-Out

04/21/06: Opt-Out Program including anticipated usage analysis specified.

05/31/06: AHCA submitted Opt-Out Plan design to CMS.

07/01/06: AHCA contracted with Health Management Systems (HMS) to serve as Opt-Out Program Administrator.

08/23/06: Completed implementation and testing including assessment of employer insurance options and decisions to opt-out.

09/21/06: Choice Counseling script modified to include opt-out process.
09/29/06: A total of 12 calls have been received at the Opt-Out Toll Free Call Center—five callers requested and received program information.

10/01/06: First individual enrolled in Opt-Out program. At the end of the quarter (September 29, 2006), 12 calls had been received at the Opt-Out toll-free call center and only one individual is enrolled in the program.

12/06: Opt-Out Call Center activities as of December 2006:
- 15 calls received
- 4 of the beneficiaries who called did not have Employer Sponsored Insurance (ESI) available
- 5 of the beneficiaries had access to ESI but chose not to opt-out
- 4 beneficiaries requested and received an Opt-Out enrollment package
- 2 of the calls resulted in enrollment in the Opt-Out program

D. Risk Adjustment/Rate Setting

01/10/06: Established Reform budget.
02/07/06: Determined overall limits and levels of co-insurance for Catastrophic Coverage.
02/15/06: Identified thresholds for comprehensive/catastrophic coverage: 95% coinsurance and $50,000 threshold level for Reform plans. A maximum annual benefit level $550,000 exists for Reform plans.
04/10/06: Established Kick-Payment policies. Kick-Payments are the means through which AHCA reimburses health plans a one time fixed payment for specific services such as obstetrics and transplant services.
05/26/06: Mercer produced risk adjustment information based on pharmacy data.
06/26/06: Completed data analysis and rate setting evaluation. This included finalizing the base premiums for risk adjustment under Reform.
07/03/06: Kick Payment System became operational.
10/01/06: Risk adjustment process initiated. Monthly risk adjusted rates are calculated using the previous month’s enrollment data.

E. Reform Health Plans and Networks

01/31/06: AHCA sent letter to interested health plans and networks requesting non-binding Letter of Intent to apply.
04/10/06: Completed Reform Health Plans and Networks certification standards including identification of target populations, identification of sufficiency services, creating benefits grid, creating a data book, and creating a plan evaluation tool.
06/26/06: Finalized Reform Health Plans and Networks application review and acceptance process for the “go live” date of July 1, 2006.
07/01/06: AHCA executed contracts with 12 Medicaid Reform Health Plans in Broward and Duval Counties including nine Health Maintenance Organizations and three Provider Service Networks. The first 12 Reform Health Plans included AMERIGROUP Community Care, HealthEase, Staywell, Preferred Medical Plan, United HealthCare, Humana, Total Health Choice, South Florida Community Care Network, Buena Vista, Vista Health Plan South Florida, Florida NetPASS, and First Coast Advantage.
07/21/06: AHCA executed contract with Access Health Solutions.
08/11/06: AHCA executed contract with Pediatric Associates.
11/08/06: AHCA announced the addition of the Florida Department of Health’s Children’s Medical Services (CMS) to the list of managed care providers under the Medicaid Reform program.
11/08/06: AHCA issued Call for Letters of Intent to Offer Medicaid Reform Plans in Baker, Clay and Nassau Counties for Phase II of Medicaid Reform.

F. Enrollment

02/15/06: AHCA identified target Medicaid Reform populations. During the initial phase, participation was mandatory for those in the Temporary Assistance for Needy Families (TANF) and Supplemental Security Income (SSI) groups.
06/26/06: Developed and launched Medicaid Reform website for providers and beneficiaries.
07/26/06: Enrollment envelopes mailed to initial beneficiaries. Envelopes included all information needed to contact a Choice Counselor and to make a decision regarding which plan works best for them.
09/01/06: Beneficiary enrollment began in Medicaid Reform Counties: Broward and Duval. Some 7,604 Medicaid recipients initially enrolled in Medicaid Reform—5,140 in Broward County, and 2,464 in Duval County.
12/06: As of December 2006, there were 106,873 Medicaid beneficiaries enrolled in Reform—63,526 in Broward County, and 43,347 in Duval County.

G. Low Income Pool

03/01/06: Finalized Low-Income Pool (LIP) Policies and Budget.
04/07/06: AHCA submitted document to CMS listing sources of funding available to the LIP in SFY 2006-07.
05/26/06: AHCA announced appointment of LIP Council, which replaced the Medicaid Disproportionate Share Council, effective July 1, 2006.
06/26/06: AHCA submitted to CMS the “Reimbursement and Funding Methodology” for the LIP.
06/30/06: AHCA received approval from CMS to operate the LIP.
09/27/06: First meeting of the LIP Council. Additional meetings were held on 10/20/06, 11/29/06, and 12/11/06.
11/22/06: AHCA submitted to CMS the revised version of the “Reimbursement and Funding Methodology” for the LIP.
H. Quality Performance Measures

03/2006: AHCA submitted the initial quality strategies plan for Medicaid Managed Care to CMS. The plan applies to all managed care organizations including Medicaid Reform health plans and includes: state standards for access to care, state standards for quality measurement and improvement including clinical outcome measures, quality improvement indicators, and performance improvement projects.

04/2006: AHCA contacted over 60 advocacy organizations to obtain input on Disease Management Performance measures.

6/06: AHCA will evaluate Medicaid Reform health plan performance related to their disease management programs through the disease management performance measures and the results of the disease management patient satisfaction surveys. The disease management satisfaction surveys will be conducted on a quarterly basis beginning September 1, 2007.

10/06/06: First Performance Measure Workshop completed to obtain input from Plans and all interested parties on the proposed performance measures.

10/11/06: AHCA issued a Request for Quote to potential vendors to develop, validate, and administer (1). a patient satisfaction survey for Medicaid beneficiaries participating in Florida Medicaid Reform Plans Disease Management program and (2). a provider satisfaction survey for Florida Medicaid Reform health plan providers, participating in the health plan’s DM program.

10/26/06: Conducted workshop to review comments received and presented final performance measures. AHCA identified 33 performance measures including 13 disease management measures defined by AHCA. The measures will be collected in a 3-year phase in process.

12/06: AHCA submitted the final “Initial Quality Strategies Plan” to CMS and obtained approval from CMS in December.
References

Agency for Health Care Administration. (March 7, 2006). AHCA contracts with Florida State University to develop educational materials for Choice Counseling component of Medicaid Reform. Press release.


Agency for Health Care Administration. (December 8, 2006). Reform FY 2006 – 2007 project schedule. Presented at the Medicaid Reform FY 2006 – 2007 Project Steering Committee meeting, Tallahassee, FL.


